

# **NEW HAMPSHIRE STATE LIQUOR COMMISSION**

## **MINUTES OF MEETING – DECEMBER 13, 2001**

**PRESENT:** Chairman John Byrne and Commissioners Anthony Maiola and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations; Richard Gerrish, Spirits Marketing Specialist; George Tsiopras, Chief Accountant; Michael Goclowski, Law Warehouses

### **I. FINANCIAL & ADMINISTRATIVE REPORTS**

#### **1. Financial Reports**

##### **A. Weekly, Y-T-D Store Sales Reports:**

The SA1000 report for the week ending December 9, 2001 shows retail sales were up 3.7%, on-premise sales were up about 8.2% and off-premise sales were up 14.9%, with a total increase in retail sales of 5.7%. The traffic count increased by 2,471, with the average sales ticket up \$.16.

The W-I Total Weekly Sales report for the past week, under weekly comparison, confirms total sales were up 5.7% or \$392,202, with yearly sales also up almost 5.9% or \$8,531,509. Wine sales increased for the week by 11% or \$355,527, as they did for the year by 7.72% or almost \$5 million. Sales of spirits were up 2.1% or \$78,608 on a weekly basis, and were up year-to-date by 5.35% or \$4,395,169. Sunday sales for December 9<sup>th</sup> were down compared to last year by 23%, with the customer count down 16.7%. Work hours were up 1.2%.

##### **B. Budget Reports:**

The latest W-6 Expense Budget Activity Report shows the year to be at 44.93% complete, with total agency expenditures at around 44%.

In reference to Outstanding Depletions and Post-Offs as of December 11, 2001, three overdue balances have now been paid. Payment is pending on two other accounts which are not actually due yet.

In response to information from Craig that a contract with Law has been developed except for pricing, Chairman Byrne advised him to submit to Law whatever is completed now.

Regarding the energy project, some stores were substantially completed as of November 25<sup>th</sup>. Stores #38 Portsmouth, #34 Salem and the Nashua stores will be held up until the busy holiday season is over. John Bunnell remarked that the cost pricing is total and not broken down by stores. In response to inquiry

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from the Chairman, Peter Engel will check to verify that work has been properly completed.

George Tsiopras said he received a call earlier this week from the Treasury relative to researching vendor payments on a biweekly basis. The only problem initially for the Liquor Commission would be late payments for utilities. Chairman Byrne asked that George look into why the Commission does not get special terms for early payments.

The credit card processing contract is up for renewal at the end of the fiscal year, and talks are continuing with a number of different institutions. However, a number of interface changes would need to be made if a new vendor were selected. Chairman Byrne said he would like to be in a position to go with a new vendor in the beginning of January, and asked George to check with Purchase and Property as to the status of negotiations with Fleet. If there is no report, he said he would support a new RFP.

Next week a demonstration will be given here by Computer Associates, and the Unisys and Law contracts will be on the Governor and Council agenda.

2. MIS Report

Howard said concern was expressed by the Supervisors about a possible lack of access to the system on December 24<sup>th</sup>. He explained how IT personnel will take care of this. The only effect would be that reports would not be available until Wednesday morning. However, the stores should be allowed access around 9:00 on Monday morning. A test run will be done next Monday. Chairman Byrne suggested a back-up plan in case the test run didn't go well.

Next Monday morning IT will be looking at equipment quotations for the Infrastructure project.

**II. MARKETING & SALES REPORTS**

1. Store Operations

Peter Engel commented on the Sales Analysis by Location report for December 11, 2001. Total store sales were up 3.45%. Store #73 Hampton was the highlight of Cluster 1 with an increase of 18%. In Cluster 2, Store #20 Derry was up 13.4%, Store #33 Manchester was up 16.83%, and Store #49 Plaistow increased by 14.27%. Store #30 Milford, Cluster 3, was up 61%, and in Cluster 4, Store #2 Chesterfield was up 22.5%, with Store #9 Dover up 26.7%. Chairman Byrne suggested O'Neil Griffin might look at advertising on Amtrak since the station is right next to the Dover store. Peter

will look into this possibility. Looking at Cluster 5, Store #36 Jaffrey was up 26.87%, and Store #26 Groveton was up 12.46%.

Peter explained some of problems occurring with the alarm systems in several stores. A meeting will be held with Capitol Alarm regarding possible changes in parameters. John Byrne suggested looking at their contract to determine if the company is performing up to contract.

A meeting was held with a representative of Workers Compensation and George Liouzis yesterday, and a report should be coming to the Commission soon. John Bunnell remarked that there aren't adequate guidelines from Personnel regarding how to pay temporary employees for holiday pay.

2. Warehouse Report:

The warehouse report was accepted as submitted.

3. Purchasing Report:

John Bunnell reported that the out-of-stock situation is in pretty good shape with the exception of Three Olives which had a problem concerning bottles.

4. Merchandising Report:

1) Test Market Products:

A. Arrow Butterscotch Schnapps:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission deny a request from United Beverages, Inc. for a new test market product listing for Arrow Butterscotch Schnapps, 750ML size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. Juarez Triple Sec, 1.75L:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission table a request from United Beverages, Inc. for a new test market product listing for Juarez Triple Sec, 1.75L, pending receipt of additional information. The motion was unanimously adopted.

2) Special Purchase (United Beverages, Inc.):

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It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission table a special purchase offer from United Beverages, Inc. on four (4) spirit items for the months of February and March 2001 pending receipt of further information. The motion was unanimously adopted.

- 3) February 2002 Special Offers (66 spirit items – United Beverages, Inc.):

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve special offers, without matching funds, from United Beverages, Inc., based upon depletion of sixty-six (66) spirit items, to be featured on sale during February 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 4) Special Offer for February-May 2002:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve a special offer from United Beverages, Inc., based upon depletion of two (2) wine items, to be featured on sale from February through May, 2002, as recommended by James Beck, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 5) Dom Perignon Coupon:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve a redeemable coupon for \$10.00 off on Code #8622, Dom Perignon Champagne, as recommended by James Beck, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 6) Recommended Allocated & Restricted Wines for Distribution to Selected Stores:

- A. 2 items:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve two (2) allocated and restricted wine products for distribution to selected stores, as recommended by James Beck, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- B. 60 items:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve sixty (60) allocated and

restricted wine products for distribution to selected stores, as recommended by James Beck, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

7) Primary Source Submissions:

A. 1 item – primary source:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine code which is from primary source, as recommended by James Beck, Wine Marketing Specialist. The motion was unanimously adopted.

B. 53 items – imported:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of fifty-three (53) wine codes which are not from primary source, but are imported, as recommended by James Beck, Wine Marketing Specialist. The motion was unanimously adopted.

C. 15 items – exclusive agent:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission approve the listing of fifteen (15) wine codes which are not from primary source, but are offered by the exclusive marketing agent, as recommended by James Beck, Wine Marketing Specialist. The motion was unanimously adopted.

8) Appeals Received – Delistings – Items Not Reaching Gross Profit as of 10/28/01:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that the Commission eliminate from the retail sector one (1) wine item which failed to reach it's required gross profit as of October 28, 2001, as recommended by James Beck, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**III. ENFORCEMENT & LICENSING REPORTS**

**IV. CHAIRMAN'S REPORT & LATE ITEMS**

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1) Contracts/Leases: None.

2) Bailment Requests:

It was moved by Commissioner Maiola, seconded by Commissioner Russell, that all bailment requests for releases/transfers for the period beginning December 7 through December 13, 2001 be approved as submitted.

3) Coupon Approvals: None.

4) Late Items: None.

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John W. Byrne, Chairman

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Anthony C. Maiola, Commissioner

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Patricia T. Russell, Commissioner

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